

**MATADOR PETROLEUM CORPORATION**

SUITE 158, PECAN CREEK  
8340 MEADOW ROAD  
DALLAS, TX 75231-3751  
Fax (214) 691-1415

Mark A. Virant  
District Landman

Writer's Direct Line:  
(214) 987-7156

October 20, 2000

Mr. Duke Roush  
Nearburg Exploration Company, L.L.C.  
3300 North "A" Street, Suite 120  
Building 2  
Midland, Texas 79705

Laura State "13" Com No. 2  
E/2 Section 13, T-21-S, R-34-E  
Lea County, New Mexico

Dear Duke:

Matador E & P Company ("Matador") hereby proposes the drilling of the Laura State "13" Com No. 2 well to be located 660' FNL & 1980' FEL of Section 13, T-21-S, R-34-E, Lea County, New Mexico. The East Half (E/2) of Section 13 will be dedicated as the proration unit for the well.

The well will be drilled to a depth sufficient to adequately test the Morrow formation, or 12,900', whichever is the lesser depth. Enclosed are the following items for your review and execution should you desire to participate in the drilling of the proposed well:

1. A draft of the proposed form of 1982 AAPL Form 610 Model Form Operating Agreement ("JOA"). If the JOA meets with your approval, I will have the Agreement executed on behalf of Matador.
2. Two (2) original AFE's which outline the estimated cost of the operation for the drilling of the subject well. Should you desire to participate in the drilling of the proposed well, please return one (1) executed copy of the AFE to my attention.

While we respectfully request your participation in the drilling of the proposed well, we would appreciate you granting Matador a farmout of your interest under mutually acceptable terms in the event you do not desire to participate in the well.

Thank you for your attention to this matter. If you have any questions, or need any additional information, please feel free to call.

Sincerely,



Mark A. Virant

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12573 Exhibit No. 4  
Submitted By:  
*Matador Petroleum Corp.*  
Hearing Date: January 11, 2001

**MATADOR PETROLEUM CORPORATION**

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October 20, 2000

Mr. Francis Wilson  
Wilson Oil Corporation  
3012 Huron St.  
Denver, Colorado 80202

Laura State "13" Com No. 2  
E/2 Section 13, T-21-S, R-34-E  
Lea County, New Mexico

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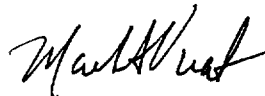
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October 20, 2000

Lucille T. Ellis  
500 N. Big Spring  
Midland, Texas 79701

Laura State "13" Com No. 2  
E/2 Section 13, T-21-S, R-34-E  
Lea County, New Mexico

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October 20, 2000

Glen J. Ellis, Jr.  
500 N. Big Spring  
Midland, Texas 79701

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E/2 Section 13, T-21-S, R-34-E  
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October 20, 2000

Ellis Petroleum Corporation  
500 N. Big Spring  
Midland, Texas 79701

Laura State "13" Com No. 2  
E/2 Section 13, T-21-S, R-34-E  
Lea County, New Mexico

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October 20, 2000

RJR Resources  
550 W. Texas  
Midland, Texas 79701

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Lea County, New Mexico

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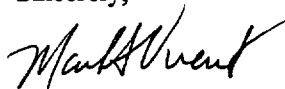
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October 20, 2000

Arcadia Exploration & Production  
8117 Preston Road, Suite 205  
Dallas, Texas 75219

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Lea County, New Mexico

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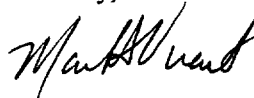
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October 20, 2000

Mr. Mike Mullins  
Texaco, Inc.  
500 N. Lorraine  
Midland, Texas 79701

Laura State "13" Com No. 2  
E/2 Section 13, T-21-S, R-34-E  
Lea County, New Mexico

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